



P.O. Box 178
Richland, OR 97870

REDACTED- FOR PUBLIC INSPECTION

October 21, 2013

VIA OVERNIGHT DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

RE: **Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission**

Dear Ms. Dortch:

Eagle Telephone System, Inc., a privately-held rate of return carrier receiving high cost support, has electronically submitted FCC Form 481 to the Commission with redacted financial data, in compliance with 47 C.F.R. §§ 54.313 and 54.422

As specified in the Protective Order issued on November 16, 2012 by the Commission, two copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION"

Please feel free to contact me with any questions regarding this particular matter.

Sincerely,

Mike L. Lattin
President
Eagle Telephone System, Inc.;

Enclosures

.cc Mr. Charles Tyler, FCC Telecommunications Access Policy Division

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3050-0319 July 2013
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<010> Study Area Code	532369
<015> Study Area Name	EAGLE TEL SYSTEMS
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Rusti Lattin
<035> Contact Telephone Number: Number of the person identified in data line <030>	541-893-6111
<039> Contact Email Address: Email of the person identified in data line <030>	rusti@eagletelephone.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313 Completion Required	54.422 Completion Required
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<100> Service Quality Improvement Reporting	(complete attached worksheet)	(check box when complete)
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> ← check box if no outages to report	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)	0.0	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)	0.0	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>
<510> 532363OR510-54	(attached descriptive document)	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>
<610> 532363OR610	(attached descriptive document)	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>
<1010>	(attach descriptive document)	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)?	(if not, check to indicate certification)	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
 Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532169
<015>	Study Area Name	EAGLE TEL. SYSTEMS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Rueti Lattin
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<039>	Contact Email Address - Email Address of person identified in data line <030>	ruetieagletelephone.com
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input checked="" type="radio"/> <input type="radio"/> (yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code

Study Area Name
<015>

EAGLE TEL SYSTEMS

<020>	Program Year
-------	--------------

2014

<div> <div><030></div> <div>Contact Name - Person USAC should contact regarding this data</div> </div>	Rust1 Lattin
--	--------------

<035> Contact Telephone Number - Number of person identified in data line <030> 541-893-6111

<039> Contact Email Address - Email Address of person identified in data line <030> rurbt1@eagletelephone.com

[illegible]

(710) Broadband Price Offerings Data Collection Form		FCC Form 483 OMB Control No. 3060-0986 / OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	532369
<015>	Study Area Name	EAGLE TEL SYSTEMS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Rusti Lattin
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<039>	Contact Email Address - Email Address of person identified in data line <030>	rusti@eagletelephone.com

[illegible]

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0085/OMB Control No. 3060-0019
July 2013

532369

<010> Study Area Code

<015> Study Area Name

EAGLE TEL SYSTEMS

<020> Program Year

2014

<030> Contact Name - Person USAC should contact regarding this data

Rusti Lattin

<035> Contact Telephone Number - Number of person identified in data line <030>

541-893-6111

<039> Contact Email Address - Email Address of person identified in data line <030>

rusti@eagletelephone.com

<810> Reporting Carrier

Eagle Telephone System, Inc.

<811> Holding Company

n/a

<812> Operating Company

n/a

<813>

Affiliates

SAC

Doing Business As Company or Brand Designation

-- See attached worksheet --

(900) Tribal Lands Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0586/OMB Control No. 3060-0819 July 2013	
<010>	Study Area Code	532369	
<015>	Study Area Name	EAGLE TEL SYSTEMS	
<020>	Program Year	2014	
<030>	Contact Name - Person USAC should contact regarding this data	Ruuti Lattin	
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111	
<039>	Contact Email Address - Email Address of person identified in data line <030>	ruuti@eagletelephone.com	

<910>	Tribal Land(s) on which ETC Serves
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<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select (Yes, No, NA)	
	<921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
	<922> Feasibility and sustainability planning;
	<923> Marketing services in a culturally sensitive manner;
	<924> Compliance with Rights of way processes
	<925> Compliance with Land Use permitting requirements
	<926> Compliance with Facilities Siting rules
	<927> Compliance with Environmental Review processes
	<928> Compliance with Cultural Preservation review processes
	<929> Compliance with Tribal Business and Licensing requirements.

(1100) No Terrestrial Backhaul Reporting		FCC Form 481	
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
		July 2013	

<010>	Study Area Code	532369
<015>	Study Area Name	EAGLE TEL SYSTEMS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Rueth Lattin
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<039>	Contact Email Address - Email Address of person identified in data line <030>	rlattin@agletelephone.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

☒

(1200) Terms and Condition for Lifeline Customers		FCC Form 481	
Lifeline		OMB Control No: 3060-0986/OMB Control No: 3060-0819	
Data Collection Form		July 2013	

<010>	Study Area Code	532369
<015>	Study Area Name	EAGLE TEL SYSTEMS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Rusti Lattin
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<039>	Contact Email Address - Email Address of person identified in data line <030>	rusti@eagletelephone.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	EAGLETELEPHONELIFELINE
<1220>	Link to Public Website	www.eagletelephone.com

Name of attached document (.pdf)

HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:



<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,



<1222> Details on the number of minutes provided as part of the plan,



<1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation**Data Collection Form****Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532369
<015>	Study Area Name	EAGLE TEL SYSTEMS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Rusti Lattin
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<039>	Contact Email Address - Email Address of person identified in data line <030>	rusti@eagletelephone.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b)(4)(d)(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification (47 CFR § 54.313(b)(1)) ☐
- <2011> 3rd Year Certification (47 CFR § 54.313(b)(2)) ☐

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

- <2012> 2013 Frozen Support Certification ☐
- <2013> 2014 Frozen Support Certification ☐
- <2014> 2015 Frozen Support Certification ☐
- <2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

- <2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting (47 CFR § 54.313(e))

- <2017> 3rd year Broadband Service Certification ☐
- <2018> 5th year Broadband Service Certification ☐
- <2019> Interim Progress Certification ☐

<2020> Please check the box to confirm that the attached PDF on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate of Return Carrier Additional Documentation Data Collection Form	
FEE Form 481 OMB Control No. 3000-0985/OMB Control No. 3000-0813 10/7/2013	

<01>	Study Area Code	532369
<01>	Study Area Name	EAGLE TEL SYSTEMS
<02>	Program Year	2014
<03>	Contact Name - Person USAC should contact regarding this data	Rusti Lattin
<03>	Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<03>	Contact Email Address - Email Address of person identified in data line <030>	rusti@eagletelephone.com

CHECK the boxes below to note compliance on its five year service quality plan pursuant to 47 CFR § 54.202(a) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan	Name of Attached Document Listing Required Information	
(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(i), as a recipient of CAF Phase I support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		<input type="checkbox"/>
(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3015) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation		<input type="checkbox"/>
(3018) If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3019) Management letter issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
(3020) If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers.		<input type="checkbox"/>
(3021) Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024) Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026) Attach the worksheet listing required information	Name of Attached Document Listing Required Information	532363OR3.026

Certification - Reporting Carrier Data Collection Form	FCG Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code 532369

<015> Study Area Name EAGLE TEL SYSTEMS

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Rusti Lattin

<035> Contact Telephone Number - Number of person identified in data line <030> 541-893-6111

<039> Contact Email Address - Email Address of person identified in data line <030> rusti@eagletelephone.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	EAGLE TEL SYSTEMS
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/11/2013
Printed name of Authorized Officer:	Mike Lattin
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	541-893-6111
Study Area Code of Reporting Carrier:	532369 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	532369
<015> Study Area Name	EAGLE TEL SYSTEMS
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Rusti Lattin
<035> Contact Telephone Number - Number of person identified in data line <030>	541-893-6111
<039> Contact Email Address - Email Address of person identified in data line <030>	rusti@eagletelephone.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

AFFIDAVIT CERTIFYING COMPLIANCE WITH SERVICE
QUALITY AND CONSUMER PROTECTION MEASURES 54.313(a)(5) AND 54.313(a)(6)

I, Mike Lattin, being of lawful age and duly sworn, on my oath, state that I am the President of Eagle Telephone System, Inc. and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true and accurate to the best of my knowledge, information, and belief.

The Company hereby certifies to the **Oregon Public Utility Commission, Federal Communications Commission, and the Universal Service Administrative Company** pursuant to the requirements under 47 C.F.R. 54.313(a)(5) and 54.313(a)(6) that in the provisioning of wireline voice services:

- 1) Eagle Telephone System, Inc., has established operating procedures designed to facilitate compliance with applicable consumer protection rules.
- 2) Eagle Telephone System, Inc., has established operating procedures designed to facilitate compliance with service quality standards which may include customer remedies and improvement plans.
- 3) Eagle Telephone System, Inc., discloses all of our rates and terms of service to the customer, in the form of plan pamphlets and information on our website. We provide contract terms to customers and confirm changes in service. We allow a 30 day trial period for all new service connects. We provide specific disclosures in our advertising. We separately identify carrier charges from state and federal taxes on our billing statements and we also disclose said taxes on our website and plan pamphlets. We provide the customer the right to terminate service for changes to contract terms. We provide ready access to customer service with our telephone number and customer service contact information on our website and billing statements. We respond to customer inquiries and complaints from government agencies within 30 days of receiving complaints from any such agency. We abide by federal CPNI laws regarding customer privacy.

DATED this 11th day of October, 2013.

Eagle Telephone System, Inc.

By: 

Mike Lattin
President

SUBSCRIBED AND SWORN to before me this 11th day of October, 2013.

Brandi A Sangster
Notary Public in and for the State of Oregon

My Commission Expires: July 26, 2016



AFFIDAVIT CERTIFYING EMERGENCY FUNCTIONALITY
54.313(a)(5) AND 54.313(a)(6)

I, Mike Lattin, being of lawful age and duly sworn, on my oath, state that I am the President of Eagle Telephone System, Inc. and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true and accurate to the best of my knowledge, information, and belief.

The Company hereby certifies to the **Oregon Public Utility Commission, Federal Communications Commission, and the Universal Service Administrative Company** pursuant to the requirements under 47 C.F.R. 54.313(a)(5) and 54.313(a)(6) that in the provisioning of wire-line voice services:

- 1) Eagle Telephone System, Inc., is able to remain functional in emergency situations including a reasonable amount of back-up power to ensure functionality without an external power source, the ability to re-route traffic around damaged facilities, and the capability to manage traffic spikes resulting from emergency situations.
- 2) All of Eagle Telephone System, Inc. Remote AFC cabinets are equipped with generators and battery backup systems. These systems immediately kick on if the main power to the cabinets has failed. The Central Office/Switch is also equipped with a generator and battery backup system that kicks on in the event of a power failure. Any time that there is an emergency situation such as a power failure we are able to provide service to our customers.
- 3) Our main customer service office is also equipped with a generator system so that if the power is down we are still able to remain open to service customer inquiries, answer our landline phones, and take care of any other customer service issues; during normal operating hours.

DATED this 11th day of October, 2013.

Eagle Telephone System, Inc.

By: _____

Mike Lattin
President

SUBSCRIBED AND SWORN to before me this 11th day of October, 2013.

Brandi A Sangster

Notary Public in and for the State of Oregon

My Commission Expires: July 26, 2016



USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Eagle Telephone System, Inc.

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2012

BORROWER DESIGNATION

OR0551

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS	Redacted		CURRENT LIABILITIES	Redacted	
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = Reda % of Total Assets

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OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

OR0551

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	Redacted	
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

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USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		OR0551
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2012
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		Redacted
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain) non-reg depn included in non-reg income less gain on sale included in income		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain) Proceeds from Sale of Assets \$10,000; adjustment to PPE to make balance correctly		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		

Revision Date 2010

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MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

INDEPENDENT AUDITOR'S RUS MANAGEMENT LETTER

To the Board of Directors

Eagle Telephone System, Inc.

Redacted



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Redacted



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COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND
SECURITY INSTRUMENT PROVISIONS

Redacted



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COMMENTS ON OTHER ADDITIONAL MATTERS

Redacted



Moss Adams LLP

Stockton, California
March 28, 2013

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EAGLE TELEPHONE SYSTEM, INC.
SCHEDULE OF INVESTMENT IN AFFILIATED COMPANY

**Snake River
PCS, Inc.**

Redacted

Original investment cost

Cumulative net income as of 12/31/11, net of distributions

Shareholder distributions

Net income for the year ending December 31, 2012

Book value of investment as of 12/31/12

Redacted

Eagle Telephone System, Inc. owns [Redacted] the stock of Snake River PCS, Inc. and accounts for its investment on the equity basis.

Snake River PCS, Inc. provides cellular telephone services.

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Eagle Telephone System is a community telecommunications service provider who offers basic and enhanced services at reasonable rates within its serving areas. Basic services are offered at the following rates:

Single Party Residence Service	\$14.00	Caller ID	\$5.50
*Plus Additional taxes		Call Forwarding	\$0.50
Single Party Business Service	\$18.95	Call Waiting	\$0.50
Federal Subscriber Line Charge: Single Line (Residential & Business)	\$6.50	Three-Way Calling	\$0.50
*FCC Access Recovery Charge	\$1.00	Voice Messaging, Basic	\$2.50
Federal Subscriber Line Charge: Multi-Line (Business)	\$9.20	Emergency 911 Services	\$0.75
*FCC Access Recovery Charge	\$1.00		

Low-income individuals eligible for Lifeline and Link-Up telephone assistance programs may receive discounts off these basic local service charges through state-specific telephone assistance plans.

Basic services are offered to all consumers in the Eagle Telephone System territories at the rates, terms and conditions specified in the Company's tariffs. If you have any questions regarding the Company's services, please call us at 541-893-6111 for further information.

www.eagletelephone.com



**EAGLETELEPHONE
SYSTEM**